Mariano Says Shelter Costs Getting "Harder To Support"

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By Chris Lisinski

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STATE HOUSE, BOSTON, JAN. 10, 2024.....Continuing to fund a record level of emergency shelter services "becomes harder and harder to support" while tax collections lag expectations, the top House Democrat said Wednesday while suggesting he's out of the loop on the governor's spending plans.

Three weeks after the Healey administration filed a report with lawmakers outlining a two-year shelter cost forecast and funding gaps, House Speaker Ron Mariano said he does not know exactly what the executive branch will request from the Legislature.

"I don't know what they're going to submit. We haven't seen anything. I haven't had any indication, unless you have something [about] what the amount is going to be," Mariano told reporters after meeting privately with fellow House Democrats. "Obviously, it's a concern. As revenues continue to bottom out and flatten, it becomes harder and harder to support some of these things."

Healey's deputies filed a report with the House and Senate Ways and Means Committees on Dec. 18 estimating the state will need to spend $932 million on the emergency shelter system in fiscal 2024 and $915 million in fiscal 2025, figures that the administration repeated in another report submitted to lawmakers on Jan. 1. The Legislature in a December law mandated the administration submit a report about the shelter system's outlook every two weeks.

Cabinet secretaries indicated in their Dec. 18 report that Gov. Maura Healey would soon file a supplemental budget proposing to drain the $700 million balance of a transitional escrow fund savings account and put it toward emergency shelter costs and housing production and preservation. That bill still has not been filed.

When a reporter pointed out the administration already informed the Ways and Means Committees about its intent to use the remaining balance of the savings account, Mariano replied, "Well, it's news to me."

"I think we have to have a fairly extensive discussion about how that puts us and our economic footing," he said.

House Ways and Means Committee Chair Aaron Michlewitz said Healey's team "gave us a timeline" on how long a $250 million shelter funding injection lawmakers approved in the fall

would last. He has previously said that money should keep the system funded at least "early into the spring."

"But other than that," he said Wednesday, "I don't think we've really had too many extensive conversations on exactly what a new bill would look like, how much would it be, what would it look like. We really haven't had those conversations yet. When they file that, we'll have to certainly take that into consideration and see what it is."

A Mariano spokesperson said later on Wednesday the speaker's comments referred to the lack of a bill from Healey requesting legislative action on her new shelter spending plan.

Democratic legislative leaders have not held one of their semi-regular Monday meetings with the governor since early November.

House Democrats are not alone in giving Healey's shelter spending outline a muted response. Responding to Healey's plan to tap the escrow account, Senate Ways and Means Committee Chair Michael Rodrigues said last week that lawmakers would "think long and hard about how we expend any of those reserve funds."

The record level of demand on the shelter system, much of it influenced by a significant number of migrants newly arriving in Massachusetts, pushed Healey to implement a 7,500-family capacity limit. Even with that cap now in place, her administration expects it will spend nearly three times as much on the system as originally appropriated in the fiscal 2024 state budget.

Those pressures are battering budget-writers at the same time that state tax revenues have stumbled. Through the first six months of the fiscal year, Massachusetts has collected $769 million or 4.1 percent less than the estimate used to craft the annual budget, prompting Healey this week to announce $375 million in unilateral spending cuts and forecast little to no tax revenue growth through June 2025.

Healey budget chief Matthew Gorzkowicz said Monday that "none of the budget reductions are a result of the recent emergency shelter crisis." Republican lawmakers who late last year objected to another shelter funding injection disagreed with that assessment.

"Somehow, spending $1 billion a year ago you never had any anticipation of spending, and you say that has no relation to your fiscal situation -- that is kind of mind-numbing. I don't see how you can say that with a straight face," House Minority Leader Brad Jones told the News Service. "I don't disagree that the situation forced her to make some decisions about 9C cuts. I'm not disputing that. I just think that to somehow say the emergency assistance thing had no impact on that at all -- I don't understand that."

In a statement circulated by the MassGOP, Republican Rep. David DeCoste of Norwell said it is a "travesty to target our most vulnerable citizens with reductions in critical services" while continuing to spend so much on the shelter crisis.

"In Norwell and Rockland, earmarked funds for elder services were cut by 50%. Funding for Hanson's youth cardiac screenings was cut by 50% as well; we are funding noncitizens at the expense of citizens. This is bad public policy," DeCoste said. "We need a solution to the migrant crisis and that will put a check on this unsustainable program. If the Healey Administration

continues unchecked, they will cause serious damage to our budget and inevitably drain our rainy day fund that we've worked so hard to build."

With the blessing of Healey and former Republican Gov. Charlie Baker, Mariano and Senate President Karen Spilka in recent years have overseen a sizable increase in state spending, while also bulking up the state's rainy day reserve account to more than $8 billion.

Mariano said Wednesday he believes that Healey's 9C cuts were an appropriate move.

"The primary thing that we're responsible for is submitting a balanced budget, so we have to keep that balance no matter what the economic conditions are," he said. "We have to respond accordingly."

The Senate on Thursday plans to take up another Healey proposal that's tangentially related to the state's balance sheets: using interest generated by the state's "rainy day" savings account as matching funds to compete for federal funds or to pay down state debt.

Healey filed that bill with the Senate in October, and the Senate Ways and Means Committee advanced their own version Monday without subjecting the matter to a public hearing.

Asked for his thoughts on the proposal and when it might emerge in the House, Mariano replied, "I don't know."

"It hasn't had a hearing yet, has it?" he asked reporters. "I don't know what the bill does."

Healey held a press conference in October to announce her bill, saying could put $750 million in interest to work as states compete for their share of federal infrastructure funds.

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